

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

**Objection Deadline: March 16, 2023 at
4:00 p.m. (ET)**

**SUMMARY OF FIRST MONTHLY FEE STATEMENT OF PAUL HASTINGS LLP, AS
LEAD COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
THE PERIOD FROM DECEMBER 20, 2022 THROUGH DECEMBER 31, 2022**

Name of Applicant:	Paul Hastings LLP (" <u>Paul Hastings</u> ")
Authorized to Provide Professional Services to:	Official Committee of Unsecured Creditors (" <u>Committee</u> ")
Date of Retention:	Order entered February 7, 2023, effective as of December 20, 2022 [D.I. 635]
Period for Which Compensation and Reimbursement is Sought:	December 20, 2022 through and including December 31, 2022 (the " <u>Fee Period</u> ")
Total Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$1,381,936.00
80% of Compensation Sought as Actual, Reasonable and Necessary:	\$1,105,548.80
100% of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$3,797.28

This is a(n): ☒ monthly ☐ interim ☐ final application.

No prior application has been made with respect to the Fee Period.

¹ The last four digits of FTX Trading Ltd.'s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

COMPENSATION BY INDIVIDUAL DURING THE FEE PERIOD*

Name	Practice Group; Date of First Admission	Hourly Rate	Hours Billed	Amount Billed
Partners				
Daniel, Chris	Fintech and Payments Group, 1999	\$1,585.00	17.20	\$27,262.00
Despins, Luc A.	Finance & Restructuring, 1986	\$1,860.00	28.40	\$52,824.00
Gilad, Erez	Finance & Restructuring, 2001	\$1,735.00	96.00	\$166,560.00
Hansen, Kris	Finance & Restructuring, 1996	\$1,935.00	93.00	\$179,955.00
Kelly, Brian	Finance & Restructuring, 20 01	\$1,510.00	18.90	\$28,539.00
Merola, Frank	Finance & Restructuring, 1988	\$1,735.00	48.80	\$84,668.00
Murphy, Matt M.	Finance & Restructuring, 1999	\$1,635.00	20.60	\$33,681.00
Pasquale, Ken	Financial Restructuring, 1990	\$1,735.00	92.10	\$159,793.50
Rimon, Laurel Loomis	Investigation & White Collar Defense, 1993	\$1,410.00	1.00	\$1,410.00
Sasson, Gabe	Financial Restructuring 2010	\$1,510.00	102.30	\$154,473.00
Sibbitt, Eric	Fintech and Payments Group, 1997	\$1,410.00	3.00	\$4,230.00
Tsao, Leo	Investigation & White Collar Defense, 1999	\$1,410.00	1.00	\$1,410.00
Partner Total			522.30	\$894,805.50
Of Counsel				
Martin, Samantha	Financial Restructuring, 2008	\$1,485.00	97.40	\$144,639.00
Silber, Gary	Tax, 2011	\$1,490.00	2.30	\$3,427.00

Name	Practice Group; Date of First Admission	Hourly Rate	Hours Billed	Amount Billed
Traxler, Katherine A.	Financial Restructuring, 1990	\$920.00	6.40	\$5,888.00
Of Counsel Total			106.10	\$153,954.00
Associates				
Ashuraey, Sam	Financial Restructuring, 2017	\$1,160.00	48.40	\$56,144.00
Catalano, Kristin	Financial Restructuring, 2021	\$775.00	19.80	\$15,345.00
Diaz, Caroline	Financial Restructuring, 2021	\$930.00	17.60	\$16,368.00
Greenbacker, Lauren- Kelley	Fintech and Payments Group, 2014	\$1,225.00	11.90	\$14,577.50
Griffin, Meagan E.	Fintech and Payments Group, 2013	\$1,230.00	12.00	\$14,760.00
Koch, Leonie	Financial Restructuring, 2023	\$755.00	53.20	\$40,166.00
Quattrocchi, Sarah A.	Fintech and Payments Group, 2020	\$930.00	3.20	\$2,976.00
Sasson, Isaac	Financial Restructuring, 2016	\$1,200.00	76.10	\$91,320.00
Thrasher, Karin	Fintech and Payments Group, 2021	\$775.00	1.10	\$852.50
Xu, Christine	Financial Restructuring, 2022	\$775.00	38.30	\$29,682.50
Associate Total			281.60	\$282,191.50
Paraprofessionals				
Laskowski, Mat	Financial Restructuring	\$515.00	55.80	\$28,737.00
Magzamen, Michael	Financial Restructuring	\$515.00	19.60	\$10,094.00
Mohamed, David	Financial Restructuring	\$515.00	23.60	\$12,154.00
Paraprofessional Total			99.00	\$50,985.00
TOTAL:			1009.00	\$1,381,936.00
BLENDED HOURLY RATE: \$1,370				

* The hourly rates billed by Paul Hastings set forth in this Monthly Fee Statement are Paul Hastings' rates for 2022. As reflected in the *First Supplemental Declaration of Erez E. Gilad in Support of Monthly Fee Statement for Entry of an Order Authorizing and Approving the Retention and Employment of Paul Hastings LLP as Lead Counsel to the Official Committee of Unsecured Creditors, Effective as of December 20, 2022, and Notice of Increase in Hourly Rates* [Docket No. 630], Paul Hastings' new standard hourly rates for 2023 will apply to its representation of the Committee in these chapter 11 cases effective as of February 14, 2023.

COMPENSATION BY PROJECT CATEGORY FOR THE FEE PERIOD

U.S. Trustee Task Code and Project Category	Hours Billed	Amount Billed
B110 Case Administration	149.60	\$175,690.96
B113 Case Analysis/Pleadings Review	252.00	\$340,683.50
B115 Meetings and Communications with Debtors	27.40	\$45,794.50
B120 Asset Analysis and Recovery	66.70	\$93,612.00
B130 Asset Disposition	37.50	\$55,982.00
B140 Relief from Stay/Adequate Protection Proceedings	2.00	\$2,400.00
B150 Meetings and Communications with Creditors	187.40	\$272,916.50
B155 Court Hearings	5.10	\$5,252.50
B160 Employment Applications / Fee Statements and Applications (Paul Hastings)	25.60	\$27,671.50
B165 Employment Applications / Fee Statements and Applications (Other Professionals)	56.40	\$76,838.53
B175 Bahamian PropCo Analysis	59.20	\$85,304.50
B185 Assumption / Rejection of Leases and Contracts	1.20	\$1,951.50
B191 General Litigation	71.50	\$96,340.50
B210 Business Operations	46.20	\$71,791.50
B215 Regulatory Matters	18.90	\$26,279.01
B240 Tax Issues	2.30	\$3,427.00
TOTAL:	1009.00	\$1,381,936.00

EXPENSE SUMMARY FOR THE FEE PERIOD

Category	Amount
Courier Service	\$35.32
Computer Search	\$822.20
In-house Black and White Reproduction Charges (797 copies at \$0.08 per page)	\$63.76
In-house Color Reproduction Charges (3,595 copies at \$0.80 per page)	\$2,876.00
TOTAL:	\$3,797.28

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COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
THE PERIOD FROM DECEMBER 22, 2022 THROUGH DECEMBER 31, 2022**

Pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [D.I. 435] (the “Interim Compensation Order”), Paul Hastings LLP (“Paul Hastings”), lead counsel to the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases (the “Chapter 11 Cases”) of the above-captioned debtors and debtors-in-possession (the “Debtors”), hereby submits this monthly fee statement (this “Monthly Fee Statement”) for compensation of fees and reimbursement of costs and expenses incurred by Paul Hastings for professional services rendered by Paul Hastings during the period from December 20, 2022 through and including December 31, 2022 (the “Fee Period”) for or on behalf of the Committee in connection with the Chapter 11 Cases. In support of this Monthly Fee Statement, Paul Hastings respectfully states as follows:

¹ The last four digits of FTX Trading Ltd.’s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

Background

1. On November 11 and November 14, 2022, respectively, each of the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with this Court. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no trustee or examiner has been appointed in the Chapter 11 Cases.

2. On December 20, 2022, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) filed the *Amended Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 261]² appointing the Committee.

3. On December 20, 2022, the Committee selected Paul Hastings to serve as its lead counsel in connection with the Debtors’ Chapter 11 Cases.

4. On February 7, 2023, the Court entered the *Order Authorizing and Approving the Retention and Employment of Paul Hastings LLP as Lead Counsel to the Official Committee of Unsecured Creditors, Effective as of December 20, 2022* [D.I. 635] (the “Retention Order”), authorizing the retention and employment of Paul Hastings as lead counsel to the Committee, effective as of December 20, 2022. The Retention Order authorizes Paul Hastings to be compensated for its services at its regular hourly rates in effect from time to time, as such rates may be increased periodically, and reimbursed for any costs and expenses incurred in connection with its representation of the Committee in connection with the Chapter 11 Cases, as set forth therein.

² The notice amended the initial *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 231] issued by the U.S. Trustee on December 15, 2022, to reflect the addition and correction of contact information for certain of the members of the Committee.

Relief Requested

5. By this Monthly Fee Statement, Paul Hastings seeks (a) allowance of compensation as an administrative expense claim against each of the Debtors' estates for fees and expenses incurred in the aggregate amount of \$1,385,733.28, (b) payment in the amount of \$1,105,548.80, representing eighty-percent (80%) of the total amount of fees incurred, and (c) payment in the amount of \$3,797.28, representing one-hundred percent (100%) of the total amount of costs and expenses incurred, in each case, in connection with work performed by Paul Hastings during the Fee Period for or on behalf of the Committee in connection with the Chapter 11 Cases.

Compensation Requested

6. Paul Hastings maintains computerized records of the time spent by all Paul Hastings' attorneys and paraprofessionals in connection with its representation of the Committee. A detailed statement of work performed by Paul Hastings rendering legal services to the Committee during the Fee Period is attached hereto as **Exhibit A**.

7. The timekeepers who rendered services related to each category are identified in **Exhibit A**, along with the number of hours for each individual and the total compensation sought by each category.

Expense Reimbursement

8. A detailed statement of the actual and necessary costs and expenses incurred by Paul Hastings during the Fee Period in the aggregate amount of \$3,797.28 in the performance of services rendered to the Committee is attached hereto as **Exhibit B**. The expenses are categorized according to the nature of the charges incurred, including, among other things, telephone and facsimile charges, mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, transportation costs, expenses for "working meals", computerized research and other research costs.

9. Pursuant to Local Rule 2016-2, Paul Hastings represents that: (a) its rate for copying charges is \$0.08 per page for black and white copies and \$0.80 per page for color copies; (b) its rate for outgoing facsimile transmissions is \$0.25 per page (excluding related long distance transmission charges) with no charge for incoming facsimile transmissions; and (c) computer-assisted legal research is charged at rates not more than the actual cost.

Valuation of Services

10. Attorneys and paraprofessionals of Paul Hastings have expended a total of 1009.00 hours in connection with its representation of the Committee during the Fee Period. The amount of time spent by each Paul Hastings timekeeper providing services to the Committee for the Fee Period is set forth herein and in the attached monthly statement. Paul Hastings respectfully submits that the reasonable value of the services rendered by Paul Hastings to the Committee during the Fee Period is \$1,381,936.00.

11. Paul Hastings believes that the description of the time entries included in **Exhibit A** attached hereto and the expenses set forth in **Exhibit B** attached hereto are in compliance with the requirements of Local Rule 2016-2.

Reasonableness of Compensation

12. All fees and expenses incurred by Paul Hastings during the Fee Period for or on behalf of the Committee were actual, reasonable and necessary in the performance of Paul Hastings' services. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, all fees and expenses requested by Paul Hastings in this Monthly Fee Statement are reasonable due to (a) the size, nature and complexity of these Chapter 11 Cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, (e) the costs of comparable services other than in a case under chapter 11 of the Bankruptcy Code, and

(f) the fact that such fees and expenses were not unnecessarily duplicative of the services performed by other professionals retained by the Committee.

Compliance and Waiver

13. To the best of Paul Hastings' knowledge, this Monthly Fee Statement complies with Local Rule 2016-2. To the extent that this Monthly Fee Statement does not comply in all respects with the requirements of Local Rule 2016-2, Paul Hastings believes that such deviations are not material and respectfully requests that any such requirements be waived.

Reservation of Rights

14. To the extent that time or disbursement charges for services rendered or disbursements incurred on behalf of the Committee during the Fee Period were not inputted, processed or posted before the preparation of, or included in, this Monthly Fee Statement, or Paul Hastings has for any other reason not sought compensation or reimbursement of expenses herein with respect to any services rendered or expenses incurred during the Fee Period on behalf of the Committee, Paul Hastings reserves the right to request compensation for such services and reimbursement of such expenses in a supplemental or future Monthly Fee Statement.

15. In addition, Paul Hastings does not waive, and expressly reserves, its right to respond to any objections regarding this Monthly Fee Statement and the amounts sought for Paul Hastings' work performed by or on behalf of the Committee in connection with the Chapter 11 Cases.

Notice and No Prior Request

16. Notice of this Monthly Fee Statement has been given to the following parties or, in lieu of, to their counsel, if known: (a) the U.S. Trustee, (b) the Debtors, (c) the

Committee, and (d) all parties required to be given notice in the Interim Compensation Order. Paul Hastings submits that no other or further notice is necessary.

17. No prior request for the relief sought in this Monthly Fee Statement for fees and expenses incurred during the Fee Period has been made to this or any other Court.

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WHEREFORE, Paul Hastings respectfully requests that the Court approve the Monthly Fee Statement and grant Paul Hastings such other and further relief as the Court deems just and proper.

Dated: February 24, 2023
New York, New York

PAUL HASTINGS LLP

/s/ Erez E. Gilad

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* *Admitted pro hac vice*

*Counsel to the Official Committee
of Unsecured Creditors*

CERTIFICATION OF COMPLIANCE WITH LOCAL RULE 2016-2

I, Erez E. Gilad, hereby certify as follows:

1. I am a partner in the applicant firm, Paul Hastings LLP, and have been admitted to the bar of the State of New York since 2001.
2. I have personally performed many of the legal services rendered by Paul Hastings, as lead counsel for the Committee, and I am generally familiar with all other work performed on behalf of the Committee by the lawyers and paraprofessionals in the firm.
3. The facts set forth in the foregoing Monthly Fee Statement are true and correct to the best of my knowledge, information, and belief. Moreover, I have reviewed the requirements of Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware and respectfully submit that the Monthly Fee Statement complies with such requirements.

Dated: February 24, 2023
New York, New York

/s/ Erez E. Gilad
Erez E. Gilad